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February 7, 2006

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ATTORNEYS AT LAW

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Natek, Inc.
236 Massachusetts Avenue, NE
Suite 110
Washington, DC 20002

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Federal Communications Commission
Office of Secretary

DOCKET FILE COPY ORIGINAL

Re: *Request for Review by WorldxChange Corp. of Decision of
Universal Service Administrator, CC Docket No. 96-45*

Dear Ms. Dortch:


By letter ruling dated January 25, 2006, the Wireline Competition Bureau requested that WorldxChange Corp., Filer ID # 821378, amend its above-captioned appeal of an Administrator's Decision by filing an affidavit. Enclosed please find the Declaration of Stephen Weintraub in satisfaction of the request made in the Bureau's letter ruling.

WorldxChange Corp. filed its appeal on January 28, 2005. Subsequently, WorldxChange Corp. sold its telecommunications business to Acceris Management and Acquisition LLC. WorldxChange Corp. is providing this information to the Commission in order to update the facts set forth in its appeal.

Kindly date stamp and return a copy of this letter to the undersigned.

Should you have any questions, please contact the undersigned.

Sincerely,



Jonathan B. Mirsky
Counsel to WorldxChange Corp.

Cc: Ms. Cathy Carpino, Wireline Competition Bureau
Ms. Carol Pomponio, Wireline Competition Bureau

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DECLARATION OF STEPHEN WEINTRAUB

The undersigned Stephen Weintraub does state as follows:

1. I am the Chief Financial Officer of C2 Global Technologies Inc. C2 Global Technologies Inc. is the ultimate parent of the entity identified as WorldxChange Corp. ("WorldxChange") in the WorldxChange Request for Review of Decision of Universal Service Administrator filed on January 28, 2005 (the "Appeal").
2. As of the date of the Appeal, WorldxChange was a telecommunications carrier that provided interstate, interexchange services.
3. WorldxChange timely filed its August 2003 Form 499-Q. (The USAC Administrator described this submission as having been received on July 23, 2003.)
4. Unfortunately, in completing the August 2003 Form 499-Q, WorldxChange inadvertently and incorrectly reported projected annual revenues of \$86,450,000 as if they were projected quarterly revenues for fourth quarter 2003. Once it realized its mistake, WorldxChange promptly submitted a revised Form 499-Q dated September 30, 2003 that correctly reported projected quarterly revenues rather than projected annual revenues. (The USAC Administrator described this submission as having been received on October 9, 2003.)
5. USAC subsequently invoiced WorldxChange for universal service contributions based on the erroneous annual rather than quarterly projections. On October 22, 2003, USAC billed WorldxChange for \$2,417,475.70 in current monthly charges. This is the amount of current monthly charges, not including the late payment fee assessed on the October 22, 2003 invoice that is unrelated to the erroneous 499-Q or the Appeal. (Exhibit A to the Appeal includes a copy of USAC's invoice dated October 22, 2003.)
6. WorldxChange immediately wrote to USAC, pointing out that the October 2003 invoice was nearly five to seven times higher than WorldxChange's previous invoices. (Exhibit B to the Appeal is a copy of a letter from Ralph Brandifino of WorldxChange to USAC dated November 1, 2003.)
7. In each of November 2003 and December 2003, USAC billed WorldxChange another \$2,417,475.70 in current charges, also adding late payment fees. (Exhibit A to the Appeal includes a copy of each of USAC's invoices dated November 21, 2003 and December 22, 2003.)
8. The billed current charges to WorldxChange for fourth quarter 2003 were \$7,252,427.10. The amount of \$7,252,427.10 does not include any late payment fees assessed by USAC; this sum is just the billed current charges for rural health care support, low income support, high cost support, and schools & libraries

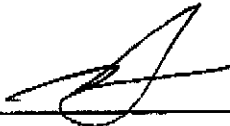
support. This amount vastly exceeded billed current charges to WorldxChange for third quarter 2003, which were \$1,565,717.91.

9. By letter dated November 26, 2003, USAC notified WorldxChange that USAC had rejected WorldxChange's revised Form 499-Q. (Exhibit C to the Appeal includes a copy of the letter from USAC to WorldxChange dated November 26, 2003.)
10. WorldxChange appealed the rejection of its revised Form 499-Q to the USAC Administrator. After eleven months had elapsed, the Administrator rejected WorldxChange's appeal.
11. USAC has assessed late payment fees of \$265,559.11 (as of December 2004) on the excess amount that WorldxChange erroneously reported on its August 2003 Form 499-Q. WorldxChange calculated the amount of these late payment fees by applying USAC's interest rate to the amount credited to WorldxChange as a result of USAC reconciling actual revenues as reported on WorldxChange's 2004 Form 499-A with the projected revenues set forth on the four corresponding Form 499-Qs (including the erroneous August 2003 Form 499-Q). The amount of the credit from the 499-A was \$3,642,895.53. However, USAC's excess assessment resulting from the erroneous projected revenues in the August 2003 Form 499-Q was surely much higher than the \$3,642,895.53 true-up credit, because the sum of the revenues projected on WorldxChange's three applicable 499-Qs other than the erroneous August 2003 499-Q turned out to be an underestimate of actual revenue, and the excess assessment resulting from the erroneous August 2003 Form 499-Q was netted against these other projections. WorldxChange has used the amount of \$3,642,895.53 to calculate late payment fees because that amount is indisputable and is the lowest possible amount of overcharges. The attached spreadsheet shows that the late payment fees of \$265,559.11 were computed by (i) calculating USAC's monthly interest factor, (ii) applying that interest factor to the amount that USAC credited WorldxChange from reconciling actual and projected revenues (\$3,642,895.53), which yielded the amount of interest assessed on the excess contribution assessment, and (iii) adding the interest payments assessed on the unpaid interest payments due on the excess contribution assessment.
12. Under the Administrator's decision, the only way that WorldxChange could have avoided \$265,559.11 in late payment fees would have been for WorldxChange to have paid, in October, November, and December 2003, a total of about \$6 million extra to USAC, only to have those amounts credited following the April 2004 499-A filing. (The difference between the amount USAC billed WorldxChange in the fourth quarter of 2003 and the amount USAC billed WorldxChange in the third quarter of 2003 was about \$6 million.) WorldxChange was a small carrier, whose quarterly interstate and international telecommunications revenue was only approximately \$20 million at that time. A \$6 million payment to USAC in the

fourth quarter of 2003 would have consumed over 25% of WorldxChange's interstate and international telecommunications revenue.

13. WorldxChange's interstate and international telecommunications net revenue was \$91.8 million in 2003 and \$62.3 million in 2004. That makes paying \$265,559.11 in late fees, for an assessment that was later reversed, a financial hardship.
14. WorldxChange sold its telecommunications business to Acceris Management and Acquisition LLC, as subsidiary of North Central Equity LLC, subsequent to the filing of WorldxChange's Appeal.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on February 6, 2006.


A handwritten signature in dark ink, consisting of a stylized 'A' with a horizontal line extending to the right, positioned above a solid horizontal line.

Interest Calculation

	(per USAC) Annual Interest Rate <u>A</u>	(per USAC) Number of days in Year <u>B</u>	(per USAC) Calendar days per month <u>C</u>	Monthly interest factor <u>D</u> (A / B x C)	USAC Base used to Calculate interest (based on total credits applied to account for 499 correction) <u>E</u>	Credits Received on the 499Q problem (memo only)	Interest calculation on 499Q issue <u>F</u> (D x E)	Interest Calculation on Unpaid interest) <u>G</u> (D x(F+G)(compounded)	All interest & Penalty Incurred from 499Q forecast issue <u>H</u> (F + G)
Oct-03	9%	360	31	0.00775	-	0	-	-	-
Nov-03	9%	360	30	0.00750	-	0	-	-	-
Dec-03	9%	360	31	0.00775	1,214,298.51	0	9,410.81	72.93	9,483.75
Jan-04	9%	360	31	0.00775	2,428,597.02	0	18,821.63	219.37	19,040.99
Feb-04	9%	360	29	0.00725	3,642,895.53	0	26,410.99	398.28	26,809.28
Mar-04	9%	360	31	0.00775	3,642,895.53	0	28,232.44	647.64	28,880.08
Apr-04	9%	360	30	0.00750	3,642,895.53	0	27,321.72	836.52	28,158.24
May-04	9%	360	31	0.00775	3,642,895.53	0	28,232.44	1,089.69	29,322.13
Jun-04	9%	360	30	0.00750	3,642,895.53	0	27,321.72	1,267.62	28,589.34
Jul-04	9%	360	31	0.00775	3,642,895.53	(1,214,298.51)	28,232.44	1,538.50	29,770.94
Aug-04	9%	360	31	0.00775	3,642,895.53	(1,214,298.51)	28,232.44	1,769.23	30,001.67
Sep-04	9%	360	30	0.00750	2,428,597.02	(1,214,298.51)	18,214.48	1,862.03	20,076.51
Oct-04	9%	360	31	0.00775	1,214,298.51	0	9,410.81	2,011.46	11,422.28
Nov-04	9%	360	30	0.00750	-	0	-	1,961.66	1,961.66
Dec-04	9%	360	31	0.00775	-	0	-	2,042.26	2,042.26
Totals						(3,642,895.53)	249,841.92	15,717.19	265,559.11

Comments: USAC calculates
interest charges based
on prior month arrear balances

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of February 2006, I served a true copy and correct copy of the foregoing WORLDXCHANGE'S REQUEST FOR REVIEW OF DECISION OF UNIVERSAL SERVICE ADMINISTRATOR upon the following via First Class

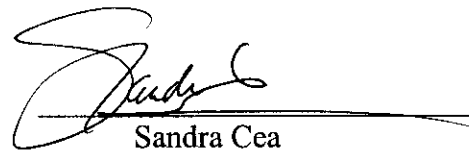
Mail, postage prepaid:

Universal Service Administrative Company

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Washington, D.C. 20036


Sandra Cea